

No. 30 Tagore Lane
 Singapore 787484
 Tel: (65) 6456 7667
 Fax: (65) 6459 4316

FOR IMMEDIATE RELEASE

OKP Holdings Limited posts S\$12.4 million net profit for full year 2012; proposes final dividend of 1.5 cents per share

“FY2012 was a challenging year due to the lackluster economy, keen price competition and rising labour costs. In spite of that, we were able to achieve gross margins of 22%, close to our five-year average of 23%, and continued to clinch new contract wins from both the public and private sectors,” said Group Managing Director, Mr Or Toh Wat

GROUP'S FINANCIAL HIGHLIGHTS						
S\$ million	4Q2012	4Q2011	▲/▼	FY2012	FY2011	▲/▼
Revenue	27.5	23.2	▲ 18%	104.5	109.8	▼ 5%
Gross Profit	6.0	15.0	▼ 60%	23.4	43.2	▼ 46%
GP Margins	22%	65%	▼ 43ppt	22%	39%	▼ 17ppt
Profit After Tax & MI	3.8	9.5	▼ 60%	12.4	26.6	▼ 53%
EPS –Basic (cents)	1.24	3.24	▼ 62%	4.04	9.02	▼ 55%
As at 31 December 2012: Gross Order Book: S\$376.6 million, projects lasting till 2015 Free Cash and Cash Equivalents: S\$49.0 million Net Tangible Assets: S\$94.3 million, NTA Per Share: 30.7 cents						

Singapore, 20 February 2013 – MAINBOARD-LISTED infrastructure and civil engineering company, OKP Holdings Limited (胡金標控股有限公司) (“OKP”), today announced a 4.9% year-on-year (yoy) dip in revenue to S\$104.5 million and 53.4% yoy decline in profit after tax attributable to equity holders (net profit) to S\$12.4 million for the full year ended 31 December 2012 (FY2012). The decrease in revenue was mainly due to the substantial completion of maintenance projects while the fall in net profit was primarily the result of a more competitive pricing environment and costs which were higher than expected. Earnings per share (basic) for FY2012 was 4.04 cents.

The board of directors is proposing a final dividend of 1.5 cent per share. This works out to a dividend yield of 2.8% based on yesterday's closing share price of 54.0 cents and a dividend payout ratio of 37.1% for FY2012.

The construction segment continued to be the major contributor to the Group's revenue, making up S\$91.5 million or 87.6% of revenue in FY2012. Compared to the preceding year, the segment grew by 1.4% yoy, largely attributable to a higher percentage of revenue recognised from a few major design and build projects during the year. This was offset by a decline in the maintenance segment, which registered S\$13.0 million or 12.4% of total revenue. The segment's revenue fell 33.8% yoy as a result of the substantial completion of existing maintenance projects, coupled with a lower percentage of revenue recognised from a few newly-awarded projects.

Gross profit fell 45.7% yoy to S\$23.4 million while gross profit margin declined from 39.3% to 22.4%. This was on the back of a more competitive pricing environment and costs which were higher than expected as a result of unfavourable ground conditions. Consequently, the completion dates of the affected projects were extended and additional prolongation costs were incurred.

Group Managing Director, Mr Or Toh Wat (胡士发) commented, "FY2012 was a challenging year, due to the lackluster economy, keen price competition and rising labour costs. In spite of that, we were able to achieve gross margins of 22%, close to our five-year average of 23%¹, and continued to clinch new contract wins from both the public and private sectors. Notably, we sealed a S\$75.3 million design-and-build contract to expand the CTE/TPE/SLE Interchange for the Land Transport Authority ("LTA"), a technically challenging project that is testament to our specialist skills and execution capabilities."

Including the LTA contract, the Group secured five new public sector projects and one private sector project in FY2012. The four other public sector projects were awarded by the Public Utilities Board ("PUB"), namely improvement to roadside drains at Sunset Drive, Clementi Avenues and Tiong Bahru Road areas worth S\$5.3 million; improvement to roadside drains at Queen Astrid Park, Benoi Road and Wan Lee Road areas worth S\$7.5 million; lining works and removal of NEWater mains for Stamford Canal at Orchard Road worth S\$4.9 million; and replacement of open scupper inlets/drains and existing drop inlet chambers to new inlet chambers worth S\$4.4 million. The private sector project, which involved the construction of the East (North) aircraft parking

¹ Historical average of gross margins from FY2007 to FY2012

apron, associated taxiways and ancillary works at Seletar Airport, was worth S\$39.8 million and awarded by the Changi Airport Group.

As at 31 December 2012, the Group's gross order book based on secured contracts stands at S\$376.6 million, lasting till 2015.

OKP is a leading home-grown infrastructure and civil engineering company specialising in the construction of urban and arterial roads, expressways, vehicular bridges, flyovers, airport infrastructure and oil and gas-related infrastructure for petrochemical plants and oil storage terminals. The Company also undertakes maintenance works for roads and roads-related facilities as well as building construction-related work, and has expanded its core business to include property development.

Balance Sheet Highlights

The Group continues to maintain a strong balance sheet and healthy cash position.

The Group's net tangible assets amounted to S\$94.3 million as at 31 December 2012, a 9.1% dip relative to the preceding year. This is equivalent to 30.7 cents per share, compared to 28.3 cents per share a year ago.

As at 31 December 2012, the Group's free cash and cash equivalents amounted to S\$49.0 million, compared with S\$87.4 million as at 31 December 2011.

During the year, net cash of S\$7.2 million was used in operating activities, versus net cash of S\$5.5 million generated from operating activities previously. This was attributable to a decrease in cash generated from operating activities before working capital changes of S\$17.2 million and an increase in income tax paid of S\$2.0 million, which were partially offset by a decrease in net working capital outflow before interest and taxes of S\$6.5 million.

Net cash of S\$24.7 million was used in investing activities compared to S\$4.7 million previously. Notable investments included S\$4.4 million in new property, plant and equipment, S\$4.5 million in the purchase of an available-for-sale financial asset, and S\$18.4 million to fund a loan to an associated company.

In FY2012, net cash of S\$6.6 million was used in financing activities, versus S\$8.4 million in the

preceding year. A total of S\$7.0 million was used in the repayment of finance lease liabilities, interest payments and dividend payments to shareholders, and this was partially offset by S\$0.4 million in cash proceeds from the issuance of new shares upon the exercise of warrants.

As at 20 February 2013, market capitalisation of the Company stood at S\$166.6 million based on the closing share price of S\$0.54.

Outlook

Based on advance estimates, the Ministry of Trade and Industry announced that the Singapore economy grew at a modest pace of 1.1% yoy in the fourth quarter of 2012, an improvement from the flat growth in the previous quarter. The construction sector grew by 5.9% yoy.

The outlook for the Singapore construction industry for the next twelve months remains positive but competitive. Overall construction demand, according to the Building and Construction Authority, is expected to remain strong at between S\$26.0 billion and S\$32.0 billion for 2013. The demand for public sector construction is expected to strengthen and contribute about 53.0% of the industry demand, or between S\$14.0 billion and S\$17.0 billion worth of construction orders.

Commenting on the growth outlook and project pipeline, Mr Or said, "We see a healthy demand for public housing and infrastructure construction going forward. As the only listed road specialist in Singapore, we are well-poised to take on projects such as LTA's expansion of Kallang-Paya Lebar Expressway (KPE)/ Tampines Expressway (TPE) Interchange as well as various construction contracts for the Thomson MRT Line.

Over the years, we have broadened and deepened our expertise and this has enabled us to tender for larger and more complex civil engineering projects that will generate higher revenue and profitability."

Apart from road-related projects, the Group will also capitalise on the LTA's plan to spend S\$700 million on three new initiatives to improve the commuter experience and "last mile" connectivity, with more sheltered walkways, underground pedestrian networks, and to reduce noise pollution from trains along elevated tracks. At the same time, OKP will continue to seek opportunities for new businesses and investments to grow its business.

To mitigate the impact of rising labour costs and manpower constraints at the supervisory level, the Group continues to improve productivity via the adoption of advanced technology such as Building Information Modeling (BIM). Training courses are also offered to OKP's employees, to upgrade their skills and equip them with multiple skill sets.

Corporate update and projects

The Group is currently involved in a number of public sector projects. These include three projects from the LTA, namely the expansion of the CTE/ TPE/ SLE Interchange worth S\$75.27 million, the interchange at Tampines Expressway/Sengkang West Road/Seletar Aerospace Way worth S\$61.7 million and one that involves the widening of Old Choa Chu Kang Road from Sungei Tengah Road to Lim Chu Kang Road worth S\$28.5 million.

Apart from the four projects awarded by the PUB in FY2012 mentioned above, the Group is also executing four other projects from the PUB, namely improvement to Alexandra Canal (between Zion Road and Kim Seng Road) worth S\$46.8 million, sewer extension works in Admiralty Road West, Andrew Avenue, Tung Po Avenue, Punggol Road and Cranwell Road worth S\$4.2 million, improvement to roadside drains at Ang Mo Kio Avenue 3, Tembeling Road and Ewe Boon Road areas worth S\$3.4 million and improvement to roadside drains at Jalan Ma'mor, Hua Guan Avenue and Outram Road areas worth S\$2.5 million. In addition, it has one project from JTC Corporation, namely the proposed sewers from Tuas South Avenue 14 to Tuas South Avenue 12 worth S\$4.9 million.

-- Ends --

About OKP Holdings Limited (www.okph.com)

OKP Holdings Limited (胡金标控股有限公司) (OKP) is a leading home-grown infrastructure and civil engineering company, specialising in the construction of airport runways and taxiways, expressways, flyovers, vehicular bridges, urban and arterial roads, airport infrastructure and oil and gas-related infrastructure for petrochemical plants and oil storage terminals. Established in 1966 by Founder and Chairman, Mr Or Kim Peow, OKP operates in two core business segments, Construction and Maintenance. The Group tenders for both public and private civil engineering and infrastructure construction projects.

The Group's clientele includes public sector agencies such as Civil Aviation Authority of Singapore, Housing & Development Board, JTC Corporation, Land Transport Authority, National Parks Board, Public Utilities Board and Urban Redevelopment Authority, as well as private sector companies like ExxonMobil, Foster Wheeler Asia Pacific Pte Ltd, WorleyParsons Pte Ltd and Angullia Development Pte. Ltd.

The Group broke into the oil and gas industry in 2006 when it secured a project connected to the S\$750 million Universal Terminal, a massive petroleum storage facility on Jurong Island, Singapore's oil refining and petrochemical hub. Upon completing the project, it went on to secure numerous other projects, including civil works relating to ExxonMobil's multi-billion dollar petrochemical project, known as the Second Petrochemical Complex. And in August 2010, it made further inroads into the sector with the signing of a contract for land reclamation works on Jurong Island.

In August 2010, OKP made the Forbes Asia's 'Best Under A Billion' List, the magazine's annual ranking of the best 200 firms in the Asia Pacific region, selected from a list of nearly 13,000 publicly-listed top performers with sales under US\$1 billion evaluated based factors such as sales and earnings growth, and shareholders' return on equity over a three-year period and the past one year. On 17 February 2009, it received a Certificate of Achievement from DP Information Group and its partners comprising Ernst & Young, SPRING Singapore, IE Singapore and The Business Times, marking the Company's entry into the 22nd "Singapore 1000 & SME 500" rankings. It had been listed on the Stock Exchange of Singapore since 26 July 2002.

Its wholly-owned subsidiary, Or Kim Peow Contractors (Pte) Ltd (胡金标建筑(私人)有限公司), is an A1 grade civil engineering contractor, under the BCA Contractors' Registry System which allows it to tender for public sector construction projects of unlimited value. Its other wholly-owned subsidiary, Eng Lam Contractors Co (Pte) Ltd (永南建筑(私人)有限公司), is an A2 grade civil engineering contractor which allows to tender for public sector construction projects with contract values of up to S\$85 million each.

OKP has won several awards for its annual reports, corporate governance and excellence in Investor Relations. At the SIAS Investors' Choice Awards 2012, OKP was conferred the "Most Transparent Company Award" under the Main Board Small Caps Category. At the Singapore Corporate Awards (SCA) 2012, it clinched the Best Managed Board Award (Bronze), Best CFO Award and Best Investor Relations Award (Bronze) in the 'Companies with less than S\$300 million in market capitalisation' category. It took the Best Annual Report Award (Gold) in 2010 under the same category. At SCA 2009, it bagged two awards – Best Investor Relations Award (Gold) and Best Annual Report Award (Silver). OKP was the Silver winner for Best Investor Relations Award at SCA 2008. It was also the second runner-up at the 30th Annual Report Awards in 2004 and Best Annual Report Award (Gold) at the Inaugural SCA 2006 for excellent standards of corporate disclosure.

Issued on behalf of OKP Holdings Limited by: Financial PR Pte Ltd

Media and Analyst Contacts:

Financial PR Pte Ltd

Mr Gabriel Tan/ Ms Denise Wong

Investor Relations Consultants

Tel: (65) 6438 2990 | Fax: (65) 6438 0064

Email: staff@financialpr.com.sg